Principal® debuts annuity solution with sustainability index

June 1, 2023

DES MOINES, Iowa--(BUSINESS WIRE)-- Principal Financial Group® has launched its first Registered Index-Linked Annuity (RILA), Principal® Strategic Outcomes, to meet the growing demand for annuity solutions as market uncertainty persists and as individuals nearing retirement seek help mitigating investment risk. Recent market volatility and inflation pressures pushed total industry RILA sales to a record $41.1 billion in 2022.[1]

"Sustained market uncertainty has investors thinking about their asset allocation mix which, along with volatile equity markets, has triggered movement to solutions that help individuals build retirement savings while managing their risk tolerance," said Sri Reddy, senior vice president for Retirement and Income Solutions at Principal. "As a leader in guaranteed income solutions, we built our RILA to help investors more confidently navigate diverse market conditions and stay invested as they strive for the best outcomes possible for their retirement."

Principal® Strategic Outcomes is available through financial professionals to help customers manage market ups and downs through investment options that offer choice and personalization. To provide additional customization, the RILA solution includes a climate-focused, sustainability index – the Societe Generale (SG) Smart Climate Index – as one of four indices available.

Offered alongside the S&P 500®, Russell 2000®, and MSCI EAFE, the SG Smart Climate Index utilizes technology models from Entelligent to calculate an "E-Score" estimating the investor return sensitivity of companies to future climate change scenarios. The index investment universe consists of stocks from the S&P 500® that uphold the Ten Principles of the United Nations Global Compact without being linked to controversial incidents, products, and/or business activities.

"The sustainability index gives Principal® Strategic Outcomes a distinctive element that supports both a stable income stream in retirement and environmental stewardship," Reddy said.

A 2022 Principal survey indicated 66% of investors place equal value on protecting savings and maximizing gains.[2] In designing Principal® Strategic Outcomes – available to anyone age 0-85 but best suited for pre-retirees who are at least 50 years old – Principal conducted interviews with financial professionals to help ensure both the design and usability of the solution can provide an appealing mix of choice, downside protection options, and market growth opportunity to meet customers' expectations.

Principal® Strategic Outcomes is the second annuity-related offering Principal has launched in the past 12 months. In June 2022, Principal debuted variable annuity buffer accounts that also provide opportunities for both market growth and limited downside protection.

Principal® Strategic Outcomes may not be available in all states or with all broker dealers.

Principal® Strategic Outcomes does not directly participate in any stock, equity investments or index. It is not possible to invest directly in an index. Amounts invested in a Segment Option that is linked to the Index are not invested in the Index, the Underlying SGI Index, or the underlying stocks. Index-linked deferred annuity contracts are complex insurance and investment vehicles. This Contract is a security and there is a risk of substantial loss of principal and earnings.

Before investing in registered index-linked annuities, investors should carefully consider the investment objectives, risks, charges, and expenses of the contract and underlying investment options. This and other information is contained in the free prospectus, which can be obtained from your local representative or online at principal.com. Please read the prospectus and, if available, the summary prospectus carefully before investing.

Investing involves risk, including the possible loss of principal.

The buffer funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. Not available in New York and may not be available with all broker dealers.

Guarantees are based on the claims-paying ability of Principal Life Insurance Company®.

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About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with 19,000 employees[3] passionate about improving the wealth and well-being of people and businesses. In business for more than 140 years, we’re helping more than 62 million customers[4] plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal®is proud to be recognized as one of the 2023 World’s Most Ethical Companies® by Ethisphere [5], a member of the Bloomberg Gender Equality Index, and a “Best Place to Work in Money Management [6].” Learn more about Principal and our commitment to building a better future at principal.com.

Annuities are issued by Principal Life Insurance Company®. Principal Variable Contracts Funds are distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., member SIPC and/or independent broker/dealers. Referenced companies are members of the Principal Financial Group®, Des Moines, IA 50392.

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[1] LIMRA 2022 Individual Annuity Sales Survey
[2] Principal Retirement Security Survey – Investments, July 2022
[3] As of March 31, 2023
[4] As of March 31, 2023
[5] Ethisphere, 2023
[6] Pensions & Investments, 2022

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Source: Principal Financial Group